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SENATE BILL 2481

By Haynes

AN ACT to amend Tennessee Code Annotated, Title 13 and Title 67, relative to providing affordable housing through the low-income housing tax credit or other affordable housing programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, is amended by adding the following as a new, appropriately designated section:

67-5-____. (a) In appraising real property that is rented or leased to a low-income individual or family meeting income-eligibility standards established by the owner of the property under regulations or restrictions limiting to a percentage of the individual's or the family's income the amount that the individual or family may be required to pay for the rental or lease of the property, the assessor shall take into account the extent to which that use and limitation reduce the market value of the property and shall not take into account or assign any value to low-income housing tax credits authorized or awarded to the property pursuant to Section 42 of the Internal Revenue Code. Other affordable housing such as FmHA 515 shall be assessed based on the income appraisal approach if rental rates are restricted due to government regulations.

(b) In appraising real property that is rented or leased to a low-income individual or family meeting income-eligibility standards established by a governmental entity or under a governmental contract for affordable housing limiting the amount that the individual or family may be required to pay for the rental or lease of the property, the assessor shall take into account the extent to which that use and limitation reduce the market value of the property and shall not take into account or assign any value to low-income housing tax credits authorized or awarded to the property pursuant to Section 42 of the Internal Revenue Code. Other affordable housing such as FmHA 515 shall be assessed based on the income appraisal approach if rental rates are restricted due to government regulations.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.